

**PROPERTY ASSESSMENT APPEAL BOARD**  
**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2019-025-10046R

Parcel No. 16-11-127-024

**Praneeth Byreddy & Swathi Ramasahayam,**

Appellants,

vs.

**Dallas County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on November 8, 2019. Praneeth Byreddy and Swathi Ramasahayam are self-represented and asked that the appeal proceed without a hearing. County Assessor Steve Helm represents the Dallas County Board of Review.

Byreddy and Ramasahayam (Appellants) own a residential property located at 824 83rd Street, West Des Moines. Its January 1, 2019, assessment was set at \$472,710. (Ex. B).

The Appellants petitioned the Board of Review contending their property was assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(2) (2019). The Board of Review modified the assessment setting it at \$461,240, allocated as \$115,000 in land value and \$346,240 in improvement value. (Exs. A & B).

The Appellants then appealed to PAAB re-asserting their claim.

## **General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005).

## **Findings of Fact**

The subject property is a one-story home built in 2016. It has 2146 square feet of gross living area, a walk-out basement with 885 square feet of average living-quarter quality finish, a patio, an open porch, and a three-car attached garage. The improvements are listed in normal condition with a 2-05 Grade (high quality). The site is 0.37 acres. (Ex. A).

The Appellants made an offer on the subject property in January 2019 for \$440,525, and closed on the purchase in March. (Exs. 1, 2, & A). The Appellants assert the sale was a normal, arms-length transaction, which is confirmed by the sales condition code assigned by the Assessor's Office. (Exs. 4 & A). In the Appellant's opinion, the sale price reflects the property's fair market value and supports their belief the property is over assessed. (Ex. 3).

The Appellants also submitted a letter from John Satre who is a co-worker with Ramasahayam. (Ex. 9). Satre attested the Appellants were not related to the sellers. He also believes the purchase price for the subject property was a "fair market transaction" and it is his understanding that no other factor beyond the sale price, such as an appraisal or any other methods of valuation, need to be considered. (Ex. 9). There is no evidence Satre has any expertise in property valuation.

The Board of Review submitted a letter from Assessor Steve Helm providing his office's understanding of the listing history and sale of the subject property. (Ex. D). He noted his office spoke with the subject property's listing agent who explained the seller moved out of state and had some personal issues that caused him to "become desperate to sell the property." (Ex. D). Helm also noted Ashworth Road between 81st Street to 88th Street was closed for construction from March to November 2018, which he believes resulted in a slowdown in real estate activity in this area.

The Board of Review also submitted an appraisal of the subject property completed by Michelle Azinger of the Appraisal Company, Urbandale. (Ex. E). Azinger's appraisal was completed for mortgage purposes with an effective date of January 2019. Azinger reported the subject was listed in May 2018 for \$499,900 with four price reductions before its final list price in October 2018 of \$465,000. (Ex. E, p. 1). Helm reported the subject property was originally listed for sale by owner in February 2018 before it was listed with a realtor in May 2018 for \$510,000. (Ex. D). We also note the subject previously sold in October 2016 for \$460,850. (Ex. A). Azinger reported the subject did not sell in the last three years, when it actually did.

Azinger developed the sales comparison and cost approach to value giving most consideration to the sales comparison approach. (Ex. E, p. 2). Azinger relied on five sales and one active listing. The following table summarizes Azinger's comparable properties.

Comparable	Gross Living Area (SF)	Basement Finish	Sale Date	Sale Price	Adjusted Sale Price (Rounded)
Subject	2153	1325 w/o	Mar-19	\$440,525	NA
1 - 978 84th St	1883	1200 w/o	Sep-19	\$430,000	\$448,000
2 - 8261 Mercato Ct	1837	1500 w/o	Aug-18	\$428,500	\$448,500
3 - 9295 Winterberry Ct	2161	1300 w/o	Not Reported	\$482,500	\$480,000
4 - 824 83rd St	1938	1400	Apr-18	\$495,000	\$480,000
5 - 947 84th St	1832	1150	June-18	\$450,000	\$467,000
6 - 933 84th St	1870	1320	Active	\$479,900	\$491,000

All of the comparables are newer one-story homes with finished basements like the subject property. With the exception of Sale 3, all are located in close proximity to

the subject. Sales 1, 4, 5, and 6 all appear to be located within one to two blocks of the subject property.

After adjustments, the comparable sales indicated a range of value between approximately \$448,000 and \$480,000; the active listing had an adjusted value of roughly \$491,000. Azinger gave most consideration to Comparable Sale 1 in her analysis, which she reported was built by the same builder as the subject. (Ex. E, p. 2).

Azinger also completed the cost approach, which indicated a value of approximately \$462,000. (Ex. E, p. 3).

She concluded a final opinion of market value of \$448,000. (Ex. E, p. 2).

Helm was critical of the appraisal, noting that Azinger incorrectly identified the subject property as having one fireplace in the sales comparison grid, when the owner confirmed there are two fireplaces. (Ex. D). He noted that correcting Azinger's adjustment for this error would result a final value of \$450,000. We note that despite the adjustment error in the comparison grid, Azinger correctly listed the property as having two fireplaces. (Ex. E, p. 1).

Additionally, Helm noted Azinger incorrectly reported the listing information of Comparable 1 as having been on the market for 21 days. Helm states this property was actually listed in March 2018 for \$469,000, with a price drop in July 2018 to \$439,000. The listing was subsequently removed in August 2018. The Assessor's Office contacted the listing agent of this property who reported the builder "wanted out of the area due to frustration with road construction, and perspective (sic) buyers were not showing up to scheduled showings. These factors caused the list price to drop for a quick sale, and she believes the home was sold at a discount." (Ex. D). Helm believes that had Azinger been aware of this information at the time of her report, she would have likely reached a different conclusion.

Helm believes Azinger's Comparable 3, which has the fewest adjustments and Comparables 4 and 5 that sold at the beginning of the road closure are the best indicators of value. (Ex. D). These sales have an adjusted value range of roughly \$467,000 to \$480,000, all greater than the subject's 2019 assessed value.

Lastly, the Board of Review submitted four one-story homes located in the subject's subdivision; two are pending sales and two are active listings. (Exs. F-I). These properties are summarized in the following table.

Exhibit/Address	Gross Living Area (SF)	Basement Finish	Sale Date	Last List Price
Subject	2146	1325 w/o	Mar-19	\$440,525
F - 838 83rd St	1787	1485 w/o	Active	\$499,900
G - 8312 Aspen Dr	1839	1510 w/o	Pending	\$489,900
H - 8284 Aspen Dr	1991	1800 w/o	Pending	\$545,000
I - 933 84th St	1735	Unknown	Active	\$499,900

Similar to Azinger's comparable properties, these are all newer one-story homes with finished basements like the subject property. The Board of Review believes these listings and pending sales further support its position the subject property is not over assessed and its recent sale price does not reflect its actual fair market value.

### **Analysis & Conclusions of Law**

The Appellants contend the subject property is over assessed as provided under Iowa Code section 441.37(1)(a)(2).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted).

There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted). When the taxpayer "offers competent evidence that the market value of the property is different than the market value determined by the assessor, the burden of proof thereafter shall be upon the officials or persons seeking to uphold such valuation." Iowa Code § 441.21(3). To be competent evidence, it must "comply with the statutory scheme for property valuation for tax assessment purposes." *Soifer*, 759 N.W.2d at 782.

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* The sales comparison method is the preferred method for valuing property under Iowa law. *Compiano*, 771 N.W.2d at 398; *Soifer*, 759 N.W.2d at 779; *Heritage Cablevision v. Bd. of Review of Mason City*, 457 N.W.2d 594, 597 (Iowa 1990). "Sale prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, shall be taken into consideration in arriving at its market value." § 441.21(1)(b).

The Appellants purchased the subject property in January 2019 for \$440,525 and closed the sale in March 2019. The sale price of the subject is a matter to be considered in arriving at market value, but does not conclusively establish that value. *Riley v. Iowa City Bd. of Review*, 549 N.W.2d 289, 290 (Iowa 1996); *McHose v. Property Assessment Appeal Bd.*, 2015 WL 4488252 (Iowa Ct. App. July 22, 2015) (upholding PAAB's decision not to rely on subject's sales price of \$71,900 when evidence showed comparable properties were sold from \$103,000 to \$106,000). They rely on this price alone to establish the property's market value, but the Board of Review disputes its reliability. The Board of Review submitted the Azinger appraisal completed contemporaneously to the Appellants' purchase of the subject property. The appraisal concludes a value of \$448,000, which is also less than the subject property's current assessment. Given the sale price of the property and the appraisal, we conclude the record includes competent evidence to shift the burden to the Board of Review to uphold the assessment.

In support of the assessment, the Board of Review submitted four pending or listing comparable properties located in the subject's subdivision, which are all currently higher than the subject's assessment. Because they are listings or pending sales, we recognize they would set an upper end of a range of market value.

The Board of Review also believes the Azinger appraisal discredits the sales price as a reliable indicator of value. On this, we agree.

The Board of Review criticizes Azinger's analysis as well and contends the value she arrives at is likewise unreliable. In addition to identifying some minor reporting errors, the Board of Review provided additional research on the listing and actual motivations of the sellers for several of the comparable properties in Azinger's analysis. Based on its additional research, the Board of Review believes Azinger's Comparables 3, 4, and 5 are the most similar and reflect the actual market value of the subject property. All of these comparable sales have adjusted values above the subject's current assessment.

Viewing the record as a whole, we conclude the Board of Review has upheld its burden to support the assessment.

### **Order**

PAAB HEREBY AFFIRMS the Dallas County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).



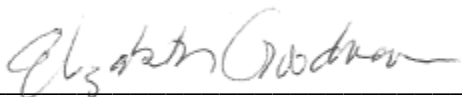
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Karen Oberman, Board Member



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Dennis Loll, Board Member



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Elizabeth Goodman, Board Member

Copies to:

Praneeth Byreddy and Swathi Ramasahayam  
824 83rd Street  
West Des Moines, Iowa 50265

Dallas County Board of Review by eFile